

Memorandum

To: ISO Board of Governors

From: Keith Casey, Vice President of Market & Infrastructure Development

Date: October 28, 2015

Re: **Update on results of reliability must-run contract extensions for 2016**

This memorandum does not require Board action.

At its September 17-18 meeting, the ISO Board of Governors authorized Management to extend the existing reliability must-run (RMR) contracts through calendar year 2016 following Management's review of load serving entities' September 15, 2015 preliminary resource adequacy showings.

Management has reviewed the resource adequacy showings and has extended the RMR contract with Dynegy for the Oakland units. These units are needed for the Oakland and Pittsburg-Oakland sub-areas within the San Francisco Bay Area and were not included in any load serving entity's preliminary resource adequacy showing.

Management has also extended the RMR contract with AES for the Huntington Beach units 3 and 4. These units are needed for voltage support in the Los Angeles Basin area and the San Diego sub-area within the San Diego-Imperial Valley area, and were not included in any load serving entity's preliminary resource adequacy showing.

In addition, Management has also extended all contracts that provide for black start and dual fuel capability for the 2016 contract year as set forth in Attachment 1¹.

¹ Dual fuel and black start agreements that are zero cost contracts do not require Board approval.

**Attachment 1:
2016 Reliability Must-Run, Black Start and Dual Fuel Contract Status**

RMR Units Extension Status				
<i>Any Extended RMR Contracts will be effective January 1, 2016 thru December 31, 2016</i>				
<i>Any Released RMR Contracts will be terminated effective Midnight on December 31, 2015</i>				
Owner	RMR Contract	Unit	MW	Status
AES Huntington Beach, LLC	Huntington Beach	Huntington Beach, Unit 3	0	Extended
		Huntington Beach, Unit 4	0	
Dynergy Oakland, LLC	Oakland	Oakland, Unit 1	55	Extended
		Oakland, Unit 2	55	
		Oakland, Unit 3	55	
Black Start Units Extension Status				
<i>Any Extended Black Start Contracts will be effective January 1, 2016 thru December 31, 2016</i>				
<i>Any Released Black Start Contracts will be terminated effective Midnight on December 31, 2015</i>				
Owner		Unit	MW	Status
Pacific Gas and Electric Company		Pit River Watershed Units	249.1	Extended
		Kings River Watershed II Units	250.6	
		Feather River Watershed Units	180	
Southern California Edison Company		Big Creek Physical Scheduling Plant	354	Extended
		McGrath Peaker	47	
		Barre Peaker	47	
		Center Peaker	47	
		Grapeland Peaker	46	
San Diego Gas & Electric Company		Miramar Energy Facility, Unit 1	47.6	Extended
		Miramar Energy Facility, Unit 2	48.6	
Orange Grove Energy, L.P.		Orange Grove, Unit 1	49.85	Extended
		Orange Grove, Unit 2	49.85	
Dual Fuel Agreement Units Extension Status				
<i>Any Extended Dual Fuel Contracts will be effective January 1, 2016 thru December 31, 2016</i>				
<i>Any Released Dual Fuel Contracts will be terminated effective Midnight on December 31, 2015</i>				
Owner	Contract	Unit	MW	Status
Pacific Gas and Electric Company	Humboldt Bay	Humboldt Bay, Unit 1	48.8	Extended
		Humboldt Bay, Unit 2	48.8	
		Humboldt Bay, Unit 3	65.1	